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DATE PREPARED: February 08, 2011
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LB 112

Revision: 01

Revised to reflect additional agency response.

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS	See Below		See Below	
CASH FUNDS				
FEDERAL FUNDS	See Below		See Below	
OTHER FUNDS				
TOTAL FUNDS	See Below		See Below	

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB 112 exempts motor carriers engaged in Department of Health and Human Services comprehensive services transport from sections 75-301 to 75-322 (motor carrier regulation by the Public Service Commission).

The Public Service Commission (PSC) estimates no fiscal impact. This appears to be reasonable.

The Department of Health and Human Services estimates that there will be significant fiscal impact if LB 112 is *not* enacted.

According the DHHS, should LB 112 not be approved to clarify that the transportation services can continue to be exempted from the requirements of the PSC, DHHS will face cost increases. DHHS would have to pay transportation costs based on PSC rates to current Developmental Disabilities (DD) and Children and Family Services (CFS) providers who agree to become PSC certified or reimburse them for the additional commercial transportation costs that are not incorporated into the existing contracts.

DHHS estimates the cost increases to be as follows:

Developmental Disabilities: \$10.92 million Federal Funds
\$7.28 General Funds

Children and Family Services: \$7.4 million General Funds (for child welfare)
\$7.8 million General Funds (for child care services)

The total estimated costs, should LB 112 *not* be enacted is \$10,920,000 Federal Funds and \$23,120,000 General Funds. These estimates are based on the following data.

Developmental Disabilities has 3,500 clients. At an extra cost of \$100 per week times 52 weeks, the total cost is \$18.2 million. The Federal to State funds mix is applied to get the fund breakdown.

Children and Family Services – Child Welfare utilizes 5,575,375 miles per year times \$1.32 per mile results in a cost of \$7,359,495 per year. \$1.32 reflects the increase in the mileage rate that would be incurred under the PSC rates.

Children and Family Services – Child Care 16,242 miles per day times \$1.32 per mile times 365 days results in a cost of \$7,825,396 per year. \$1.32 reflects the increase in the mileage rate that would be incurred under the PSC rates.

There is no basis to disagree with these estimates.

It should be noted that there are no dollars reflected in the table above since the bill's provisions will not create any additional costs. Rather, the situation is one where DHHS estimates additional costs will be incurred *in absence* of the bill.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Joe Wilcox	1/14/11	PHONE 471-2526
COMMENTS			
PUBLIC SERVICE COMMISSION – Concur with agency analysis.			
DHHS – DHHS is not currently paying transportation costs based on PSC rates and has been exempted from requirements of the Public Service Commission Act. While this bill specifically identifies this exemption, it is not a foregone conclusion that if LB 112 is not passed, DHHS would incur the costs identified in the fiscal note.			

JAN 24 2011

LB⁽¹⁾ **0112**

FISCAL NOTE

LEGISLATIVE FISCAL

2011

ESTIMATE PROVIDED BY STATE AGENCY OR POLITICAL SUBDIVISION

State Agency or Political Subdivision Name:(2) Department of Health and Human Services

Prepared by: (3) Willard Bouwens

Date Prepared:(4) January 21, 2011

Phone: (5) 471-8072

FY 2011-2012

FY 2012-2013

	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See Below	\$0	See Below	\$0

Return by date specified or 72 hours prior to public hearing, whichever is earlier.

Explanation of Estimate:

LB0112 is an act relating to motor carriers which would amend sections 75-302 and 75-303, Reissue Revised Statutes of Nebraska; to define a term; to provide an exemption from regulation for comprehensive services transport; to repeal the original sections; and to declare an emergency.

Section 1 of LB0112 would amend Section 75-302 to add new subsection 7 to provide that:

(7) Department of Health and Human Services comprehensive services transport means transportation provided by a person engaged in providing comprehensive services to clients pursuant to (a) a comprehensive services contract with the Department of Health and Human Services or (b) a subcontract entered into incident to a comprehensive services contract with the department.

Section 2 of LB0112 would amend Section 75-303 adding subsection (12) to provide that a motor carrier engaged in Department of Health and Human Services comprehensive services transport shall also be exempt from Sections 75-301 to 75-322.

Section 2 of LB0112 would repeal original sections 75-302 and 75-303, Reissue Revised Statutes of Nebraska.

Section 2 of LB0112 would provide that since an emergency exists, this act takes effect when passed and approved according to law.

Should LB0112 not be approved to clarify that these transportation services can continue to be exempted from the requirements of the Public Service Commission Act, the Department will be faced with significant cost increases. The Department would be required to pay transportation costs based on Public Service Commission rates, either to current DD and CFS providers who agree to become PSC certified or to reimburse them for the additional commercial transportation costs that are not incorporated into our existing contracts. This would increase the cost of services for Developmental Disabilities and Children and Family Services. A conservative estimate of increased costs for DD if this bill does not pass is estimated at \$18.2 million (\$10.92 million federal/\$7.28 million state). For CFS the increase is estimated at \$7.4 million for child welfare and juvenile services and \$7.8 million for child care services.

The estimated fiscal impact to the Department of Health and Human Services if LB0112 was not approved would be \$33.4 million in additional expenditures for transportation services.

MAJOR OBJECTS OF EXPENDITURE

PERSONAL SERVICES: POSITION TITLE	NUMBER OF POSITIONS		2011-2012	2012-2013
	11-12	12-13	EXPENDITURES	EXPENDITURES
Benefits.....				
Operating.....				
Travel.....				
Capital Outlay.....				
Aid.....				
Capital Improvements.....				
TOTAL.....			See Above	See Above